



City of Santa Barbara
Airport Department

DATE: June 20, 2011
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Lease Agreement – Jacob Stern & Sons, Inc.

RECOMMENDATION:

That Commission recommend City Council approval of a twenty-year Lease Agreement with Jacob Stern & Sons, Inc., a Pennsylvania Corporation, for 11,187 square feet of ramp space, at 101 Cyril Hartley Place, at the Santa Barbara Airport, effective upon the adoption of the enabling ordinance, for a monthly rental of \$604, exclusive of utilities.

DISCUSSION:

The subject Premises is located south of Hollister Avenue in an Airport Facilities (AF) zone.

Jacob Stern & Sons, Inc. has been a subtenant in good standing of Stratman Aero Service, Inc. at the Airport since July 31, 2001. The company provides aircraft charter services and constructed a 6,400 square foot aircraft hangar on the Stratman premises for the storage of their aircraft. When the Stratman leasehold reverted to the City in February 2012, the sublease provided for automatic attornment to the City.

At this time, the Airport proposes to divide the original leasehold between the two existing subtenants, and that the Jacob Stern sublease be replaced with a new twenty-year lease.

The proposed monthly rental is based on a rate of \$.054 per square foot for ramp space, and is comparable to other land on the Airport for similar use and in similar condition. Jacob Stern will also pay General Aviation Landing fees on all charter flights.

In addition, Jacob Stern will pay all charges for utilities including \$80.54, or the metered amount, whichever is greater for water, and \$36.86 for sewer service.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division
ATTACHMENT: Map